



Winter 2005 Newsletter

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A Message from Michael Lally



*Director,
Philadelphia
USEAC*

As the snow swirls across downtown Philadelphia, our winter business forecast calls for sunshine and more exporter sales activity.

Business development calls from Japan,

Thailand, and Kazakhstan have resulted in client engagements throughout Asia, and Pennsylvania and Delaware-based companies have continued to post strong sales throughout Europe, Asia, and South America.

With spring nearly upon us, the time is right to go international. The Euro and Canadian dollar's value give a 30% currency advantage to American exporters- for now. Free Trade Agreements in Morocco, Jordan, and Singapore make "Made in the USA" goods and services cheaper and easier to obtain.

China's growing middle class and emerging market are posting double-digit import increases from the United States- and a Philadelphia-based trade mission (April 2005) and the Exporting to China: Seizing Opportunities and Managing Risk conference (May 2005) are perfectly timed to get your business well-positioned in China.

In Center City and around the world, our U.S. Commercial Service is at your service. We look forward to working with you.

With Best Regards,
Michael A. Lally
Director

Recent Trade Leads

Firefighting Equipment

Montevideo, Uruguay: Forestry company has requested quotations from companies interested in exporting specialized forestry firefighting equipment to Uruguay. Such equipment can include light aircraft and

helicopters, fireline plows, heavy dozers, bumper dozers, bladder tanks, water tanks, mowers, fire engines, bombardiers, all-terrain vehicles, mobile command posts, etc. Company will purchase in the short-term (by mid-2005). For information on this lead, please contact Terez.Wood@mail.doc.gov

Helicopters Needed

Warsaw, Poland: The Polish government seeks the purchase of transport helicopters for Polish government members and other VIPs. The government will purchase in the future (by mid-late 2005). For more information on this lead, please contact Paul.Gaspari@mail.doc.gov

Ready-to-Eat Food

New Delhi, India: Indian importer wishes to purchase vegetarian snack food to sell in the country such as biscuits, cookies, yogurt, and vegetable soups. Importer will purchase in the future (by summer of 2005). For more information on this lead, please contact Samuel.Cerrato@mail.doc.gov

Broken Lamp Processing Equipment

Santa Catarina, Brazil: Recicle Brasil Ltda. Is interested in locating U.S. technology for processing broken lamps. Recicle requires technology that can process the equivalent of 5 m.t. of materials in 8 hours and that does not generate liquid effluents. They are also looking for U.S. suppliers of metal conductor pre-separation machines (aluminum, copper, tungsten, etc.). For more information on this lead, please contact

Janice.Barlow@mail.doc.gov

These leads are only a sample of the trade leads we get on a daily basis. For more information, please **contact** a Trade Specialist at **(215) 597-6101**.

**Minister Counselor to Japan visits
Philadelphia USEAC**

On Tuesday, January 18th, the Philadelphia USEAC and the World Trade Center of Greater Philadelphia were pleased to welcome **Samuel Kidder**, the *Minister-Counselor for Commercial Affairs* at the U.S. Embassy in Tokyo. Mr. Kidder oversees a team of 47 officers, specialists and support staff in six locations throughout Japan, **one of the Dept. of Commerce's largest overseas operations**. Mr. Kidder gave a presentation on the **best market opportunities for Japan** and then met privately with eleven different companies in the Philadelphia region to discuss their exporting potential.

Thailand Commercial Specialist Visit



During the month of February, the **Mid-Atlantic Branch of the U.S. Commercial Service** was pleased to offer companies in our

region a series of events and programs relating to the Thailand Market.

As part of this program, **Mr. Nalin Phupoksakul**, *Commercial Specialist for the Healthcare and Education industries in Thailand*, spoke to companies and businesses in our region from February 8th – February 17th. He is now actively working with these companies to assist them in entering the Thai market.

Philadelphia USEAC to hold Exporting to China Business Development Conference

Exporting to China: Seizing Opportunities and Managing Risk

Date: May 19th – 20th, 2005

*Location: The Westin Hotel Philadelphia
99 S. 17th Street at Liberty Place
Philadelphia, PA 19103*

Cost: \$150.00 per person

The Philadelphia U.S. Export Assistance Center, in partnership with the Mid-Atlantic District Export Council (DEC) and our many sponsors, is pleased to announce a **seminar focusing on the many opportunities and challenges that exist when exporting to the Chinese market.**

Since 1990, U.S. exports to China have grown almost 12 percent annually to USD 561.4 billion. China is now America's sixth largest export market. In 2002, China consumed 3.3 percent of total U.S. exports. From January to November 2004, China-U.S. trade reached a historical high of USD 210.7 billion during the first 11 months of 2004. The growth of imports in many key sectors, such as *energy, chemicals, machinery, telecommunications, medical equipment, construction, services and franchising* confirms that China will remain a key market for American exporters well into the 21st Century.

Exporting to China: Seizing Opportunity and Managing Risk will feature public and private sector *presentations on the Chinese market, market entry strategies, industry lessons learned*, and a **keynote address by Secretary of Commerce Honorable Carlos Gutierrez** (invited). In addition to the conference format on May 19th, we will offer twenty minute one-on-one meetings with selected speakers on key aspects of doing business in China, including: *Legal Issues, Due Diligence, Banking Solutions, Shipping and Logistics, Operations and Marketing, and the new China Business Information Center.* These appointments will be from 8:30 - 12:00 PM on May 20th, 2005 in the Philadelphia U.S. Export Assistance Center office.

Space for this event is limited, with conference registration and one-on-one meetings offered on a first come, first serve

basis. The \$150 per person conference fee includes: conference participation, conference binder with presentation and market information, continental breakfast, coffee breaks, business luncheon with Secretary of Commerce Carlos Gutierrez (invited), and networking reception.

To RSVP for this event, please visit our website at

<http://www.buyusa.gov/philadelphia/exportchina.html>

Kazakhstan Business Opportunity Briefings

From March 7th to March 25th, *Mr. Nurlan Zhangarin, International Trade Specialist from Kazakhstan*, will be coming to the Philadelphia area. He will be speaking to companies on business opportunities on Kazakhstan and the areas in which American businesses can increase their sales.



The City of Almaty, Kazakhstan

Since becoming a country in 1991, Kazakhstan is one of many nations of the former Soviet Union undergoing a radical economic change. Kazakhstan's current trade regime is relatively open: imports were equivalent to 51% of 2002 GDP, exports to about 52% of GDP. U.S. merchandise exports to Kazakhstan in 2002 were \$605 million, triple the previous year's number, thanks largely to a non-recurring purchase of aircraft.

The sectors which represent the best prospects for U.S. exports and investment include *oil and gas; power generation; telecommunications; mining equipment; construction and engineering services; medical and dental equipment, and agricultural and food-processing machinery.*

Mr. Zhangarin will have several presentations on the Kazakhstan market. His tentative schedule of what areas he will be in are as follows:

March 7th – 8th, Trenton USEAC. Please contact (609) 989-2100 for an appointment.

March 9th – 11th, Philadelphia USEAC. Please contact (215) 597-6101 for an appointment.

March 14th – 15th, Harrisburg USEAC. Please contact (717) 221-4510 for an appointment.

March 16th – 18th, Pittsburg USEAC. Please contact (412) 644-2800 for an appointment.

March 21st – 23rd, Baltimore USEAC. Please contact (410) 962-4539 for an appointment.

March 24th – 25th, Philadelphia USEAC. Please contact (215) 597-6101 for an appointment.

If you have any questions about this international market briefing, please contact Janice Barlow at 215-597-6126.

Market of the Month - Morocco



Morocco is an expanding economy strategically situated at the crossroads of Europe, the Middle East and Africa and serves as a regional hub for transportation, transit, and business. Morocco's moderate Mediterranean climate on 2,750 miles of coastline as well as its developing infrastructure makes it an increasingly important and attractive location for business.

New opportunities for American companies lie ahead with the highly anticipated U.S.-Morocco Free Trade Agreement (FTA). The FTA will help level the playing field with European competitors by eliminating tariffs on 95% of exports. In addition, the Moroccan government has launched a comprehensive economic reform program aimed at reducing inflation, developing the tourism sector and liberalizing and privatizing key sectors including telecommunications. The FTA, once in effect, will improve competition and liberalize trade between the United States and Morocco.

Steady progress is being made in Morocco to modernize and globalize, with the creation of the country's first commercial courts and recently streamlined customs departments. Through working to reduce trade barriers, inciting transparency, and institutionalizing international business law, accounting procedures and standards, the FTA will open Morocco up to increased U.S. business, direct investment and agricultural and service sector exports.

Best Prospects for U.S. exporters exist in the following sectors:

Wastewater treatment

Tourism infrastructure, equipment and services

Housing and construction

Engineering and Consulting

Environmental equipment and services

Seawater desalination

To learn more about the Moroccan market, please visit the website:
<http://www.buyusa.gov/morocco/en/>

2005 Trade Events in Mexico

Mexico is quickly becoming a major source of opportunity for many industries. Not only is it an important market in its own right, Mexico also serves as a gateway to Latin America and South America. Two important industries in the Mexican market are each having their own prospective trade shows in the country this year.

AEROEXPO, from April 7th – 10th, 2005, is the **premier show for the Aerospace Manufacturing and Engineering Industries in Mexico**. Now more than ever before, Mexico is becoming an important market for aerospace firms. The government has recently created a new \$55 million airport terminal in Tuxtla Gutierrez and allocated USD 207 million to expand Mexico City's International Airport. At the same time, Grupo Aeroportuario del Sur (ASUR) is supported by a USD 150 million investment to improve on nine airports throughout Mexico. *With so much going on in the Mexican aerospace market*, do not miss your chance to make the important connections that can help you succeed in this market! The U.S. Commercial Service will be assisting companies with their own booths and appointments with key players in the Mexican aerospace industry. For more information on this event, please contact Aerospace Specialist **Paul Gaspari** at **(215) 597-6104**.

ENVIRO-PRO, now in its 13th year, is the **most important event in Mexico for Environmental products and services**. It will be held from October 12 – 14, 2005.

The Mexican market for environmental products and services was estimated at USD 6 billion in 2004 and is **expected to reach USD 7 billion by the end of 2005**. At ENVIRON-PRO, U.S. companies will *have access to an estimated 5,000 visitors from Mexico and other Latin American countries*. The demand for environmental products and services to reduce or prevent environmental problems in Mexico continues to increase rapidly in both the private and public sectors. For more information on this trade show, please contact Environmental Specialist **Janice Barlow** at **(215) 597-6126**.

Pennsylvania Depends on Overseas Markets

Pennsylvania's export shipments of merchandise in 2003 totaled \$16.3 billion. Pennsylvania posted the 13th largest export total among the 50 states that year. Pennsylvania exported to 207 foreign destinations in 2003. **The state's top two markets that year were our NAFTA trading partners, Canada and Mexico**. The state shipped \$5.8 billion worth of export merchandise to Canada in 2003 (36 percent of the state total) and \$1.1 billion of goods to Mexico.

Pennsylvania's other top markets in 2003 were *the United Kingdom (exports of \$846 million), Japan (\$819 million), Germany (\$751 million), China (\$565 million), the Netherlands (\$477 million), Australia (\$430 million), France (\$372 million), and Belgium (\$372 million)*.

China was Pennsylvania's leading growth market from 1999 to 2003, in dollar terms. Export shipments to China from Pennsylvania increased \$302 million, from \$263 million in 1999 to \$565 million in 2003. Other countries to which Pennsylvania recorded large increases in merchandise exports over this time span were Australia (up \$167 million), Belgium

(up \$117 million), France (up \$58 million), and South Korea (up \$56 million).

Among the state's top 30 export destinations, **China was also Pennsylvania's fastest growing market**, rising 115 percent from 1999 to 2003. Pennsylvania also more than doubled its merchandise exports to Finland (up 111 percent) and Chile (up 102 percent) over this period.

Manufactured goods were 95 percent of Pennsylvania's merchandise exports in 2003. **The state's biggest manufactured export categories** that year were **chemical manufactures** (\$2.6 billion), **machinery manufactures** (\$2.1 billion), **computers and electronic products** (\$2.1 billion), **transportation equipment** (\$1.8 billion), and **primary metal manufactures** (\$1.4 billion). Together, these five manufactured product categories accounted for 61 percent of Pennsylvania's total exports of goods in 2003.

In dollar terms, Pennsylvania's leading manufactured export growth category is transportation equipment. Export shipments of these products during the 1999–2003 period rose \$294 million. Other manufactured export categories that registered large dollar growth over this time span were miscellaneous manufactures (up \$248 million), processed foods (up \$192 million), and primary metal manufactures (up \$171 million).

In percentage terms, Pennsylvania's fastest-growing manufactured export category is fabric mill products, which grew 70 percent, from \$99 million in 1999 to \$169 million in 2003. Other rapidly increasing manufactured exports during this period were processed foods (up 52 percent), miscellaneous manufactures (up 48 percent), and beverages and tobacco products (up 48 percent).

Source: Origin of Movement State Export Series, Bureau of the Census.

Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.

Environmental Matchmaker Service at VODKA 2005

The U.S. Department of Commerce is offering an ideal opportunity for U.S. environmental firms to meet with potential business partners and learn more about environmental projects in Central Europe. This business facilitation program will take place concurrently with the "Water & Sewer Systems 2005 (VODKA)" trade show, the leading water trade show in the Czech Republic. In 2005, it will celebrate 11 years as the leading Czech show in the industry. In 2004 alone, VODKA attracted 228 exhibitors. Please go to this link for more information: <http://www.vystava-vodka.cz>

Trade Specialist Profile

Janice Barlow
*Industry Specialist
for Environmental
Technologies and
Renewable Energies*



Janice C. Barlow has been with the local Philadelphia U.S. Export Assistance Center in Philadelphia since April 2000, working with area companies to facilitate international business development.

Domestically the USCS has trade specialists in 107 U.S. Export Assistance Centers (USEACs), internationally the USCS has a global network of approximately 1500 commercial officers and specialists in 200 cities located in 150 countries, whose shared mission is the growth of U.S. exports worldwide. For customers looking to find business partners overseas, the U.S. Commercial Service enables U.S. small and medium-sized businesses to leverage a variety of services to locate qualified international buyers, distributors and agents.

Ms. Barlow recently served in a short-term assignment in the United Arab Emirates to facilitate business development in the Iraqi healthcare sector and as national leader covering European business opportunities for U.S. businesses. Ms. Barlow also has an extensive background in Japan and taught English there for a number of years.

Since the Fall of 2004, Ms. Barlow has assumed the role of industry specialist for Environmental Technologies and Renewable Energies in the Philadelphia region. She is actively involved with the U.S. Commercial Service's Environmental Team and is the country-wide industry expert on water and waste water.

In addition to her primary industry focus, Ms. Barlow is also the trade specialist for Chester and Delaware Counties.

Ms. Barlow can be contacted at **(215) 597-6126** or by **e-mail** at Janice.Barlow@mail.doc.gov

Tools of the International Trade

Dear Trade Specialist:
I want to start exporting. I have never done this before. How do I start?

The Philadelphia U.S. Export Assistance center works primarily with small and medium sized companies to help them increase their sales overseas. Successful client engagements are usually with companies with a three-year track record of successful domestic business, budget and staffing to handle international sales, and a long-term management perspective. Should your firm meet these criteria, tell us more about your firm at <http://www.buyusa.gov/philadelphia/survey.html>

For start-up businesses requiring extra assistance, the USEAC maintains a network trade of partners to grow businesses in our service territory. Our office works closely with organizations like the Small Business Development Center (<http://www.sba.gov/sbdc>) that provide assistance to start-up firms, including business plan preparation, sales techniques, financing opportunities, etc. If you are a new business and just beginning to develop a domestic and international sales presence, you should start working with these organizations first. Once you are an established company, we will work with you through the exporting process.

Other Upcoming Events

Delaware World Trade Expo

On Wednesday, March 16th, the Delaware Small Business Development Center (SBDC) will be hosting a conference on exporting and international trade. Featured speakers will include Robert Elsas of the SBA who will present on how the government can help finance your exporting sales as well as Commercial Specialist Terez Wood of the Philadelphia USEAC on how the Dept. of Commerce can work with you to develop overseas markets. There will also be delegates and representatives from the UK, Germany, Sweden, Czech Republic, Italy, Chile, Mexico, Saudi Arabia, Turkey, China, Korea, and Japan. The cost is \$50 and

includes program materials, continental breakfast, and luncheon. For more information, please visit <http://www.delawaresbdc.org>.

Identifying International Markets and Accessing Trade Finance

NAWBO Presentation

On March 23, 2005, the U.S. Commercial Service, the Export-Import Bank of the United States, and the Small Business Administration will be presenting to the Philadelphia Chapter of the National Association of Women Business Owners (NAWBO) on making international sales and securing trade finance. To RSVP for the event, please contact Jane Barr Pino at (215) 628-3875 or through e-mail at NAWBOphl@barrpino.com. The cost is \$10.00 to attend. Includes Breakfast. For more information, please visit <http://www.nawbophila.org>.

City of Philadelphia Trade Mission to China

April 16 - 27, 2005

The City of Philadelphia Department of Commerce, in partnership with the World Trade Center of Greater Philadelphia, China Trade Center of Philadelphia, and the Philadelphia US Export Assistance center will embark on a business development mission to China April 16 - 27, 2005.

This is a wonderful opportunity for you to establish and pursue business opportunities and meet city officials and dignitaries. We can arrange one-on-one meetings for you with potential trading partners and assist you with follow up when you return. The Philadelphia China Trade Center and US Export Assistance Center will also offer their services.

Please see the attachments below for detailed information on the upcoming mission and a registration form. The mission announcement highlights the cities

that we will visit, mission packages and itinerary. In addition, cost and contact information is also included. PLEASE TAKE NOTE: THE REGISTRATION DEADLINE IS FAST APPROACHING - MARCH 18. We will need your registration quickly in order to arrange for your business appointments.

Please contact Truc Tran of the City of Philadelphia Department of Commerce at 215-683-2040 or Adeline Abdesaken of the World Trade Center of Greater Philadelphia at 856-968-2057 for more information.

Demystification of the Asian Development Bank Seminar

April 21st - 22nd, 2005

The Asian Development Bank (ADB) is a finance institution, with 63 member countries, working to increase economic growth and reduce poverty throughout the Asia-Pacific region through both public and private sector lending and grants. The "market" for US products and services that is created by the ADB's lending and grant activity includes 37 developing member countries in Asian-Pacific, including such giants as India and China.

This April, The Newark Export Assistance Center in cooperation with Kean University is pleased to announce a Business Outreach Seminar "Demystification of the Asian Development Bank." For more information on this event, please visit the following website: <http://www.buyusa.gov/newark/adbseminar.html>.

RepCan 2005- Find a Distributor in Canada!

Date: June 14 - 15, 2005

Location: Toronto, Canada

RepCan 2005, in its ninth year, is Canada's largest multi-sector event, open to all industry sectors, and has produced export success stories every year. RepCan 2005 is

geared to assisting small to medium, export ready companies to realize their potential in Canada's largest market, Ontario, and to become part of the \$1 billion a day U.S. - Canada trade relationship. And now, with the Canadian Dollar having appreciated 30% in the past three years, U.S. products and services are more competitive than ever before.

RepCan 2005 is a two-day program consisting of one day of focused one-on-one appointments based on the U.S. participant's goals and objectives and a one-day Logistics/Border Seminar, including a visit to the U.S.- Canadian border, entitled "Getting Your Products into Canada." RepCan 2005 will also provide U.S. participants with a Market Analysis report on their products/services, a free listing on <http://www.buyusa.gov/canada>, province-wide promotion, assistance with logistics and customs, and special hotel rates.

RepCan 2005 also offers U.S. participants an optional Matchmaking program in Montreal, Quebec – Canada's 2nd largest market. This is a one-day program of customized one-on-one appointments in Montreal on June 16, 2005, immediately following the RepCan Toronto event.

If you have any questions or require further information please contact Madellon Lopes, Project Manager at 416/595-5412, Ext. 227, or via email at madellon.lopes@mail.doc.gov
Please check out the following website for more detailed information:
<http://www.buyusa.gov/canada/en/repcan.html>